

**COMMUNITY REINVESTMENT ASSOCIATION****of NORTH CAROLINA**

May 10, 2004

Jennifer J. Johnson
Secretary
Board of **Governors of the Federal Reserve System**
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Docket No. **R-1186**

Dear Secretary Johnson:

The Community Reinvestment Association of North Carolina (**CRA-NC**) submits comments on the content **and** format of Home Mortgage Disclosure Act (HMDA) public disclosure **tables**. HMDA data has been **essential** to holding banks **and** financial institutions accountable to their responsibility to make **loans** in traditionally underserved communities. Access to **HMDA** data through the **public disclosure** tables helps **community** groups ensure that lenders and the industry are offering equal access to **loans with** fair rates at fair terms, **Therefore**, any changes should not reduce access to **information** but increase and improve public access.

HMDA data has been **an** important ingredient in **CRA-NC's** work to ensure that lenders are **meeting credit** needs in **low-income** and minority communities. It **has been an** important tool in **generating** more than \$40 billion in **new** lending and investments from **financial** institutions in the past **five** years. The **data is often the** starting point for the dialogue on lending **as well as** broader policy **issues**. Although **CRA-NC** uses **HMDA-LAR** raw data for **analysis**, we also rely **on publicly available** data tables. The **community** groups we partner with also rely on the **publicly available data** tables to hold **local lenders** accountable.

Because it is accessible **to** the public, **HMDA** data **has** resulted in increased **lending to** underserved **populations**. Community groups, public officials, community leaders, **and other** stakeholders have been able to engage **lenders** in dialogue about **how to best** meet credit needs identified **through** data analysis. The positive and proactive dialogue will have **a** greater chance of achieving fairness in pricing if the new **HMDA data elements** become widely available **and** can be **discussed**. The data tables **must have** sufficient detail so that the **new pricing**, loan type, and **pre-approval information** become **part of the** dialogue.

Keep Tables on Lending by Gender

The Federal Reserve Board **has** proposed eliminating **the** Table 6 Series that **describe** lending by gender. CRA-NC **asks** the Federal Reserve Board not to **delete** data tables that describe lending by gender. Although race **and** income levels **have** been the focus of advocates the past few years, lending discrepancies based on gender **continue**, The Table 6 Series is the **only** summary table available to the general public that considers lending to **women** of different income levels. **As** new information on pricing and manufactured housing lending is reported, it **is** **more** important to have information on what types of **loans** women are receiving to better understand **any** discrepancies.

Increase Details in Manufactured Home Loan Data

In the tables of **lending** by census tract category or lending by groups of borrowers, the Federal Reserve Board proposes not to separately report lending trends by different **purposes** for manufactured **home** loans. In other **words**, the **general** public will **only** know how **many** manufactured **home** loans were offered for the purposes of **home** purchase, home improvement, and refinance lending considered together.

The general public needs information on how many home purchase loans **are** for traditional homes and **how many** are for manufactured homes for different **groups** of borrowers and census tracts. This information will allow **the** public to **better** understand who is **buying** manufactured homes and **where** they are located. It will allow the public to better understand the role of manufactured housing in local **and** state **markets**. **For** example, **in** North Carolina, **one** in five occupied homes is a **manufactured** home. Having more data on manufactured **home** loan borrowers and census tracts would help **frame** the policy debates on manufactured **housing**.

In addition, **the** publicly available data should include **more** **information** for pricing on **manufactured** home loans. **Although** the Table 12 Series has pricing information **for** conventional manufactured home purchase loans, **an** additional table should be added for government-insured manufactured home purchase loans. **This** **addition** will allow the public to determine if pricing disparities are similar or different in the conventional or government-insured manufactured home loan market. In addition, columns should show ranges of prices for manufactured home loans, including a "10 percentage **points** or more **above** Treasury rates" **column**, since manufactured home loans have higher interest rates than traditional **home** purchase loans.

Break Down Loans Sold by Loan Type and Purpose

Table 3 Series provides information on loans sold by race, ethnicity, **income** of borrower, **and** minority **and** income level of census tract. The gender of the **borrower** is **missing**, and should be added. In addition, **the** Federal Reserve should further separate **loan** type and purpose for loans sold, in the **same** manner **as** Table 4 Series.

Include More Information on Pre-approvals

The Summary Table A Series should include more information reporting pre-approvals resulting in loan originations and denials by **minority**, income level, and gender of the borrower. There is **debate** about **whether minority** borrowers **have as much access to pre-approvals as** white borrowers. In order to help **frame** the policy **issue**, **the data tables** on pre-approvals must include information by groups of borrowers.

Allow Data Tables to be Downloaded

The Federal Reserve Board and Federal Financial Institutions **Examination Council** should **allow the general public to** download the **summary HMDA data tables into a format that can be** read by Excel and other programs. While **many community** groups **may not** we **HMDA** raw data, they **would like to download summary** tables for **additional** analysis. Currently, the **summary tables** can **only** be printed and **manually** entered into another program for analysis – a time-consuming process. If the information is available in a wider **variety** of formats, the public will have **better access to the information and will** be able to better understand and utilize the information.

Conclusion

Clear and detailed **disclosure** of lending patterns to different borrowers and communities **is** essential to **bringing an end to lending** discrimination. CRA-NC believes that **the public disclosure tables are** the most accessible format for **HMDA data** for most community groups and for the general public. **Therefore, the Federal Reserve Board** should retain the data for lending by gender and **add more** detail for the proposed tables **regarding** manufactured home lending, pricing information, and pre-approvals for different groups of borrowers.

Sincerely,



Peter Skillern
Executive Director